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UNCLAS SECTION 01 OF 02 KINGSTON 000122

SENSITIVE

SIPDIS

STATE FOR WHA/CAR (ACADIEUX)(VDEPIRRO)(WSMITH)
WHA/EPSC (MROONEY) (FCORNEILLE)
EEB/ESC/IFD/EPC (McMANUS)

SANTO DOMINGO FOR FCS AND FAS
TREASURY FOR ERIN NEPHEW

E.O. 12958: N/A

TAGS: [ECON](#) [PREL](#) [ENRG](#) [EFIN](#) [EINV](#) [ETRD](#) [EAID](#) [IADB](#) [IBRD](#) [IMF](#)

TRYS, KCOR, KIPR, CH, JM, XL

SUBJECT: JAMAICA INKS DEAL WITH CHINA

¶1. (SBU) Summary: Jamaica continues to be a beneficiary of Chinese generosity, with the country receiving over USD 118 million in loans and grants. Under the agreements signed between Prime Minister Bruce Golding and Vice-President of China, Xi Jinping, who is on an official visit, Jamaica will receive trade financing and assistance in the areas of water, agriculture and education. During his visit, the Chinese official also will participate in the ground breaking ceremony for a Chinese-financed convention center in the tourist resort of Montego Bay. In welcoming the assistance, Golding said that Jamaica has benefited tremendously in the past from China and the new agreements would strengthen relations between both countries. For his part, Jinping said China highly values its relations with Jamaica. End summary.

Chinese Benevolence

¶2. (SBU) The governments of Jamaica and the People's Republic of China have formalized a number of technical and economic agreements amounting to USD 118 million. Under the agreements signed by Jamaican Prime Minister Bruce Golding and China's Vice President, Xi Jinping, Jamaica will receive a USD 100 million line of credit for trade financing. The island also will receive (1) USD 10 million in concessionary financing from the Chinese National Development Bank; (2) USD 7.3 million for technical and economic support; and, (3) USD 1.1 million for the provision of agricultural equipment and machinery. In addition, agreements were reached on technical and economic support for the establishment of: (1) a Chinese garden in the country's main botanical gardens; (2) the expansion of a water supply system previously financed by China; (3) road repairs; and, (4) the establishment of a Confucius institute at the University of the West Indies (UWI) for the teaching of Chinese language as well as a collaboration between the UWI and the Confucius Institute in China.

Convention Center

¶3. (SBU) The Chinese VP also will be participating in a ground breaking ceremony for a 50,000 square foot Convention Center to house 7,000 people. The facility, which will be funded by the Chinese to the tune of USD 45.2 million, was negotiated by former Prime Minister P.J. Patterson in 2007, but had languished on the books. To be situated on 35 acres of prime real estate in the tourist resort of Montego-Bay, the convention center will consist of an exhibition area, banquet space, and meeting rooms. Upon completion of the center, Jamaica is expected to diversify its product offerings by making a foray into the USD 150 billion meetings-and-incentives market.

Golding Welcomes Aid

14. (SBU) In welcoming the aid, Golding said Jamaica has benefited tremendously in the past from China, and the current benevolence would only serve to strengthen the relationship between both countries. "Those relationships have existed for 36 years and they have grown stronger with every passing year", Golding is reported to have said. Jamaica always has maintained a One-China policy and I have conveyed to the vice-president the assurance that Jamaica will remain unswervingly committed to one China", Golding added. Referencing the testing global economic climate, Golding stated that the aid was provided at a time when the capital markets are closed to countries like Jamaica. He said the provisions will enable Jamaica to weather the global economic and financial storm. Golding also disclosed that based on discussions with Jinping, there were no limits to the extent to which cooperation between Jamaica and China can grow and expand.

Moots Reform Agenda

15. (SBU) Golding also referenced discussions he had with the Chinese official on the global economic landscape, confirming that there was consensus on the need for significant reform to the multilateral infrastructure. "We share the view that the international financial and economic architecture will have to be reformed, in order to recognize the importance of developing countries, and the significant role that a country like China is playing in the global economic dynamics", Golding added. It is clear that cooperation between both countries will move beyond just the parameters of

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bilateral arrangements, to seek meaningful change to the global financial and economic arrangements, Golding concluded.

Also Lauds China

16. (SBU) Golding also heaped praises on China for the strides it has made in becoming the second largest economy in the world, 31 years after launching a reform and modernization program. He said the world has watched in amazement the success of that program and the impressive rates of growth it has produced. The Jamaican PM said China continues to be a valued friend of Jamaica, and he was encouraged by the fact that China focuses not only on the present but plans and builds for the future. We are encouraged by your assurance that strengthening and expanding the partnership with Jamaica is part of China's plans for the future, Golding continued. He also advised that he will take up an official invitation extended by China to visit that country at a mutually convenient time later this year. For his part, Vice President Jinping responded by saying that China highly values its relations with Jamaica, a major partner of his country in the Caribbean. Jinping said the new agreements would serve both countries and provided an opportunity to deepen ties. "We are ready to work with Jamaica to build on the current progress and pioneering efforts so as to inject new vigor and vitality into the friendly partnership for communal development between our two countries", he concluded.

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